THE CHILDREN'S HOSPITAL

REPORT OF THE PRESIDENT

and the

ANNUAL REPORTS FOR 1951 OF THE
TREASURER *and* ADMINISTRATOR

THE CHILDREN'S MEDICAL CENTER
Boston, Massachusetts

FEBRUARY · 1952

Report of the

PRESIDENT

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ANNUAL REPORTS FOR 1951 OF THE TREASURER *and* ADMINISTRATOR

THE CHILDREN'S HOSPITAL

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Guy W. Brugler, M.D.
Administrator

REPORT OF THE PRESIDENT

Upon ending a term as President of The Children's Hospital, it seems appropriate to report regarding the events of that period, to outline present problems and to submit some suggestions as to the future.

Preliminary Study of Situation and Decision on Plan

When I became President, in the late summer of 1944, the development of the Hospital had been suspended for some years, because of the war.

By that time the tide of war had changed. The German armies were retreating; Japan's forces were being pressed back into a narrowing circle of island defenses. But the great battles in Europe and the bloody engagements in the Pacific were still ahead. The final outcome of the war was not yet assured. It was not a time to begin new projects at home.

There was, therefore, an opportunity to study the situation of the Hospital. Conferences with the doctors on the Staff, visits to a number of children's hospitals in other cities, and talks with doctors and others informed about the development of pediatrics, both in Boston and elsewhere, were parts of such a study.

It became clear that the Hospital needed more funds, more space and better facilities, even if it were to continue to operate only along the lines which had been followed for some years.

Two further facts were also apparent. One was the importance and productivity of specialization; the other was the necessity of greater cooperation between specialists and the coordination of their work, if the best results were to be obtained.

Primarily for these reasons, one of the most noteworthy developments of recent years had been the establishment and growth of medical centers, where the different skills required for patient care, for research and for education were all available in one institution, or group of affiliated institutions, and all could cooperate.

However, although it was becoming constantly more generally recognized elsewhere that, in both medicine and surgery, the treatment of children was a specialty, and The Children's Hospital was a general hospital for children, no medical center for children had as yet been established nor, as far as we could ascertain, had one been planned.

We concluded that The Children's Hospital should do more than continue along established lines, and we decided to undertake to develop a Children's Medical Center.

Announcement of Plan

The first statement of our plan was made at a dinner with the Hospital Staff in February, 1945. Excerpts from my remarks on that occasion outlined our intention.

"Our general plan may perhaps be best summarized by saying that we plan to establish, with The Children's Hospital as a nucleus, a Children's Medical Center, in which will be carried on not only the work done by the present Hospital, but a number of additional activities.

"The undertaking to build up such a Children's Medical Center will be the first of its kind in the world. We believe it is needed, and we believe it is The Children's Hospital which should once again take the first step in a new development.

. . . . . .

"We shall have difficulties. We may not be able to carry through the whole plan at once, but at least we will have an over-all, long-range plan conforming to present requisites, and full of promise for the future.

"If, as may well be, some of us will not be here to complete our plans, we shall at least be able to pass the torch to our successors, and a torch that will be burning brightly."

Thereafter the plan was approved by the Trustees.

In announcing it, it was stated:

". . . the Staff and the Board of Trustees have decided to develop a medical center for children, as the most needed and most productive step possible.

. . . . . .

"The Children's Hospital will be the nucleus of the Center. . . .

"In addition to the present services of the Hospital, which comprise those of a general hospital for children, there will be added special diagnostic laboratories, a cancer center, extended research facilities, a department for adolescents, a neurological institute and a children's health and preventive medicine program.

. . . . . .

"Because of its international reputation, its location and its accomplishments, The Children's Hospital is the logical institution to pioneer in this field, as it has in so many others. The establishment of this Center will be followed by others in other parts of the country, so that both directly and indirectly its influence will be widespread."

The *New England Journal of Medicine*, in commenting on the proposed plans for The Children's Medical Center at The Children's Hospital, said:

"The essence of the Medical Center for Children is the gathering under one roof, for a combined attack on the manifold problems of health and disease of the infant, the child and the adolescent, doctors and medical workers whose major interests concern these age groups, with the aid of all the techniques and specialized knowledge available in the medical world today."

These statements outline what we have tried to do, and indicate the plan to which we have adhered.

We were warned by others that we were undertaking a long and difficult task, that at first we would incur much criticism, and, later, vigorous competition from others who would follow in our path. These prophecies have been fulfilled.

We were pleased, however, by the following editorial statement, also of *The New England Journal of Medicine:*

"The long history of distinguished contributions of The Children's Hospital to the various medical, surgical and laboratory aspects of disease of infancy and childhood is a guarantee of the success of this *ambitious* but *wholly logical and practical plan.*"

Steps Toward Carrying Out Plan

Our general plan having been decided, then came the problem of what to do to carry it out.

One requisite was to get the funds necessary; the other, to use them effectively.

Toward obtaining more resources and facilities, two immediate courses of action were decided upon: one, a campaign for funds; the other, to work out affiliations with other institutions, in the same general field, which could, and would, cooperate in the work of The Children's Medical Center.

We proceeded along both lines simultaneously.

In this report there is not space to recount the trials and tribulations of our campaigns for funds; to tell of our successes and confess our many mistakes; or to express adequately our gratitude to all who helped in those campaigns, by their work and by their contributions. Neither can I here sufficiently thank those in the other institutions for their cooperation in joining with us to form The Children's Medical Center. It is only because of such help that what has been accomplished was possible.

Growth and Resources of The Children's Medical Center

The additional financial resources and facilities that have been mobilized for the work of The Children's Medical Center are indicated by a comparison of the total resources of The Children's Hospital and its affiliates on January 1, 1946, with the combined resources of the institutions affiliated with The Children's Medical Center on January 1, 1952.

On January 1, 1946, the net resources of The Children's Hospital and of its first affiliates (Infants' Hospital and Charitable Surgical Appliance Shop) were:

Endowment and funds (restricted and unrestricted)	$6,800,858	
Real estate	3,262,110	$10,062,968

On January 1, 1952, the aggregate total net resources of affiliates in The Children's Medical Center (The Children's Hospital, Infants' Hospital, Charitable Surgical Appliance Shop, Association of the House of the Good Samaritan, Sharon Sanatorium, The Hos-

pital and Convalescent Home for Children, Children's Mission to Children and Children's Cancer Research Foundation) were:

Endowment and funds (restricted and unrestricted) . . .	$15,198,586*	
Real estate	5,687,110†	$20,885,696

This indicates the increase in the total resources now combined under agreements of affiliation and harmoniously cooperating in a common cause.

Campaign Results

Towards obtaining contributions of funds necessary to carry out our plans, we have had three campaigns. Advised by good authority that we could not thus obtain an aggregate of more than $3,000,000, we early set our goal at $10,000,000. In spite of many handicaps, limitations and errors, although we have obtained much less than we need and would like, we have made progress. Our principal failure has been in not getting any very large subscriptions. Nevertheless, we might even claim that our over-all receipts from all sources were equal to the goal set, but such a statement, although it could be supported, would be misleading.

It should be stated regarding the figures given below that it is difficult in many cases to distinguish between funds received as a result of campaign work, and those which might have come in without the campaigns. We may have erred in crediting certain receipts during campaign periods to the campaign. This applies particularly to grants for research obtained by members of the Hospital Staff and others. However, subject to this qualification, the following figures outline the net results of our campaigns.

* This figure is subject to some adjustments, as it was necessary to use figures of September 30, 1951, for some of the affiliates. It is believed, however, that the use of figures of January 1, 1952, throughout, would cause comparatively immaterial changes.

† The figures for real estate are book figures of the various institutions. There is no representation as to values. Figures used for The Children's Hospital are after a write-off of $1,695,121 for depreciation in 1946 and thereafter, and also after the addition of $1,837,812 expended for new land and buildings acquired since 1946.

First campaign – April 1, 1948	$4,096,790	
Second campaign (April 1, 1948 - December 1, 1950)	2,778,047	
Third campaign (December 1, 1950 - January 1, 1952)	1,309,324	$8,184,161
Deduct accounts receivable		363,213*
		$7,820,948

The funds received as above are accounted for substantially as follows:

Purchases and expenditures to date for land, buildings and construction	$1,837,812	
Gifts and grants for special purposes and not available for use in building (The major part of these were for research and have already been expended or segregated for that purpose.)	1,942,354	
Gifts designated for affiliated institutions	540,500	
Remaining funds, available for expenditure as determined by Trustees	3,934,749	
		$8,255,415†

* It is estimated that at least fifty percent of this amount will be collected.

† The reason this total is more than the preceding total is because of income from investments, and capital gains on sale of securities, that have been added.

These figures do not include any amounts raised by the Children's Cancer Research Foundation through the Jimmy Fund or otherwise.

Furthermore, in addition to receipts stated above, we have, since January 1, 1946, received $1,484,567 in legacies, divided as follows: unrestricted, $1,020,418; restricted, $464,149. And information has recently been received of two large bequests to come to us in the future. One, it is hoped, will amount to approximately $500,000, the other to $1,500,000. (The latter will not be available for a number of years.)

Development of Services and Facilities

During the past seven years important changes have taken place in the operations of the Hospital, and some in the personnel of its Staff. Early in that period every chief of service but one retired and was succeeded by a younger man. Prior to the advent of the present administrator there were four changes in that office.

During this period, also, some services have been expanded, and other new services added. Details of such developments have been reported in former years, particularly in our *Report of Progress* in 1949, and in the brochure printed in 1951.

A brief recapitulation of these developments therefore should be sufficient.

(1) *Services Added* – In our preliminary announcement we said that, in addition to the services of a general hospital for children, "there will be added special diagnostic laboratories, a cancer center, extended research facilities, a department for adolescents, a neurological institute and a children's health and preventive medicine program."

We have established these additions to our services.

We have, moreover, added to the formerly established departments of Medicine, Surgery, Orthopedics, Pathology, and Radiology, a separate Department of Neurosurgery. We have organized the Division of Laboratories and Research, with all its various subdivisions, a Blood Bank, and the Sharon Cardiovascular Unit for non-rheumatic cardiovascular afflictions. (With the continuing support of the Sharon Directors, this unit bids fair to be self-supporting.) We have further added the Surgical Research Laboratory, an Oph-

thalmological Service, additions to the Division of Otolaryngology, the Seizure Clinic, the Wellesley convalescent unit, with the respirator facilities furnished by The National Foundation for Infantile Paralysis, the Adolescent Service recently started, a Cerebral Palsy Clinic, the Oral Surgery Service, and the facilities of our affiliated institutions including, last, but very far from the least, the new Jimmy Fund Building of the Children's Cancer Research Foundation, with all its equipment and facilities for research.

Distinguished authorities in the world of pediatrics who have followed closely the development of our plans have stated that the establishment of The Children's Medical Center marks the beginning of an epoch in the history of child care. And it is also interesting to learn that in several other large cities the principles underlying the development of The Children's Medical Center have been adopted as the basis for the provision of better care for the whole child, and for the advancement of medical science in the field of pediatrics.

(2) *Building, and Other Facilities Added* — It will be realized that the expansion of services indicated above has put the Hospital Staff under constantly increasing pressure for space.

We have not yet built a new main building for reasons stated later. We have, however, somewhat relieved the pressure for space by the following additions to our plant:

Three floors added to the Out-Patient Department

Three floors (with 75 new beds) added to the former Isolation Building (now called "Building C")

The former Carnegie Building, with three floors and a basement

Two apartment houses on Longwood Avenue, temporarily used for additional nurses' quarters and now used, partly, for a clinic.

Apartment houses on Binney Street, since demolished to make room for other building.

All this has provided about 65,000 square feet of additional floor space. In addition, our arrangements of affiliation have made available for The Children's Medical Center the buildings of the Wellesley unit, to a limited extent those of the House of the Good Samaritan and, recently, the Jimmy Fund Building.

With the possibility of further developments in mind, we have also acquired a large lot on the corner of Brookline and Longwood

Avenues, part of which is now leased, and part used as a parking lot for those working at the Hospital.

Present Problems

Many problems of various kinds still remain to be settled. When these are solved there will probably be others. Certainly there will always be new decisions to be made if we are to keep alert to changing conditions and possibilities.

The following sections of this report outline some of the questions now requiring attention or consideration. In most cases, these questions are presented without attempting to decide them. To do that will be the responsibility of the Trustees when all the evidence has been adequately prepared and presented.

Questions Regarding Clinics, Medical Practice, Etc.

The medical and hospital world is in a turmoil regarding questions of medical practice, compulsory government insurance, group practice, the conduct by hospitals of clinics, and other allied questions.

Much might be said on various sides about matters involved in these discussions but it would be impossible to arrive at any conclusive answers in this report. It is apparently impossible for the disputants to agree on any one solution.

Group practice by associations of doctors under the aegis of hospitals or otherwise is increasing. There are instances of such developments in numerous places, including Boston. Some have been successful, some not.

No arrangement of this kind can be made which will be satisfactory to all concerned.

We do not think that in this report it is either appropriate or advisable to enter into the varying arguments on different sides of such questions.

The matter is mentioned here only with the purpose of bringing to the attention of the Trustees that the future course of the Hospital in such matters must be carefully considered and, whatever decision is made, all the advantages and disadvantages of the various possibilities carefully weighed.

Possible Additional Activities and Services

The addition or enlargement of various services has been referred to earlier in this report. The situation in this respect should never be permitted to become static.

As medical science develops, it will be important that our services, by enlargement, curtailment or change, are adapted to meet new situations and conditions. Decisions about such matters will need the continuing attention of the Staff, the Officers and the Trustees.

It is thought some further steps of this kind should be taken at this time, or at least as soon as adequate funds are available. Instances of desirable additional services are: further development of the psychiatric service; arrangements for extension of post-graduate education; closer cooperation with other hospitals, through joint clinics; extension of our preventive medicine work through public lectures, work in health centers, and otherwise.

A Problem of The Children's Medical Center

A problem of importance is the over-all planning for The Children's Medical Center.

For various reasons — of tradition, sentiment and law — it is both inadvisable and impractical to merge the various units affiliated in the Center, either legally or administratively.

Nevertheless, there are some questions involving one or more of the units which should perhaps be considered by one body, even if it only has advisory powers. Otherwise there may be uncertainty as to just what steps are expedient to achieve a desired result, and as to how to take them.

However, while it may well be that it will at some time be advisable to establish such a body, in my opinion this is not necessary, and it would be a mistake to establish any such central authority at present.

Voluntary cooperation now meets the situation, and seems to be preferable, at least for the time being, to any other arrangement.

Patient Care, Research and Education

Questions as to patient care, research and the education of doctors and nurses are, and always will be, matters requiring continuing attention.

In a large hospital, patient care and the treatment and cure of disease will never progress to the best advantage without research.

Reciprocally, research will never attain maximum results unless it is closely interwoven and coordinated with patient care and clinical observation.

Moreover, a hospital, unless affiliated with a good medical school and participating in the training of doctors, technicians and nurses, cannot maintain its staff at the same high level of competence as one which has such an affiliation.

However, especially now, when the expense of patient care is so great, it is important that its cost to patients should not be materially increased by research and teaching.

It is believed that at The Children's Hospital this problem has been worked out as closely as possible.

Other Research Questions

How research at The Children's Hospital or at The Children's Medical Center should be limited, if at all — except by the funds available for that purpose — is another matter which should be carefully reviewed from time to time.

It may be said that research which seems remote from the particular object sought is often unforeseeably productive of new developments in some important but different field. Nevertheless, it is clear that it would be inadvisable for our research to ignore the immediate problems which primarily concern us.

The application of the results of research as part of the care of the patient has demonstrated how research and professional care may be integrated for his welfare.

It is believed that our arrangements with the Children's Cancer Research Foundation are an excellent example of a good solution of problems of this kind. In this case, separate space and facilities for research, and separate support of the personnel engaged in such

research, are being provided by an affiliated institution. At the same time, all the resources of equipment and personnel of that institution are available for use by any member of The Children's Medical Center, and vice versa. Other comparable arrangements with The National Foundation for Infantile Paralysis, the Sharon Sanatorium, the House of the Good Samaritan, and the Wellesley unit, should also be mentioned.

Further Resources

The question of how we may obtain additional funds will always be with us.

The possibilities of obtaining material amounts through further local campaigns should not be ignored. But for some time, at least, they will be limited.

The possibilities of a national campaign outside of the United Community Services area are being carefully considered. But many obvious difficulties face us in any such effort.

It is believed our principal efforts should be directed towards obtaining contributions of large amounts from individuals, from foundations and from a limited number of large corporations. We should also make every effort to bring our needs to the attention of those who may leave us substantial legacies.

It is obvious that we have not heretofore succeeded in getting any gifts of very large size. We must devote more attention to this work.

We should, I think, have organized such a program earlier and more carefully. Arrangements recently made will, it is hoped, be effective towards this end.

This is a subject to which each Trustee, and everyone interested in the Hospital, should devote particular thought and attention. Suggestions and help from each individual Trustee will be invaluable.

Buildings

The question of what it is best to do as to additional space has always been with us and, whatever we do, will require constant and careful consideration in the future.

We did not start building in the earlier years of the period covered by this report because our funds were insufficient to justify a commitment to the cost of the new main building then planned.

Moreover, it soon became apparent that the plans that we had requested at that time provided for a building which would not be well adapted to our requirements as they were developing. Besides, the need for more space was so pressing that we felt it advisable to obtain facilities that were immediately available.

Consequently, the additional buildings and facilities referred to earlier in this report have been acquired, or made available. It is estimated that these additions have cost The Children's Hospital more than three million dollars less than would be the cost of equivalent facilities in a new main building.

There is another matter which indicates that it has been fortunate we did not earlier decide on our new building, irrespective of the matter of funds. Changes in our own work, and changing trends affecting hospitals in the pediatric field,* would have made an earlier decision premature. We are now far better prepared to determine both the type of the new building and its adaptation to our principal requisites than we could possibly have been at an earlier time.

Nevertheless, the necessity for more space, and the importance of replacing some of the more obsolete facilities that now have to be used, is constantly more critical.

The new plans, providing for our most urgent current needs and adaptable for our future needs, are being pressed to completion. We propose to proceed with the construction of the new building as soon as practicable, erecting as much of the structure as can be paid for from funds available.

Relations of Trustees and Staff

The relations between your Officers and Trustees, and the Staff, have been singularly happy and always harmonious, even when there were differences of opinion.

No hospital can successfully fulfill its functions and its duties to the community unless it has both a good Staff, and active, interested and informed Officers and Trustees.

* Some of these trends are discussed in the Report of the Administrator.

Both have their separate functions and duties.

Those of the Staff are primarily professional.

The Trustees have both the legal power and the duty to determine the general policies and activities of the Hospital, to see that it serves the public to the best advantage possible, and to represent it in the community.

Unless the Staff, the Officers and the Trustees are each vigilant to perform their respective duties, and unless their relations are harmonious, the Hospital will deteriorate.

Obvious as this is, I cannot refrain from speaking of it, and from expressing the hope that we may be as fortunate in these matters in the future as we have been in the past.

Above all, may I urge the Trustees to maintain their active interest in the Hospital. It is essential for the Hospital, and the Trustees will find that the more they do the more they will want to do.

In Conclusion

The principal purpose of the foregoing report is to outline the main events which have taken place during the last seven years. It is hoped that it may also be useful, beyond its possible present interest, to help in determining policies which can most wisely be followed in the future.

I do not want to close this report, however, without adding a personal word to all those with whom I have worked in Hospital matters.

This association has been something I shall always remember with deep satisfaction.

Many meetings with those on the Executive Committee of the Staff, and with the members of the Executive Committee of the Trustees, and with others, have led to valued friendships.

The opportunity to know the doctors has brought an absorbing interest in their problems. Participation in the effort to develop better care for children has been inspiring. The possibility of a new discovery is always exciting. When the life of a child is saved, or a seemingly hopeless incapacity is cured, it is always moving, and the feeling that one has even indirectly helped is its own reward.

My only regret is that I have not had more knowledge, capacity and time to give to the Hospital.

I hope everyone will remember that what we have done is only a beginning. There is much still to be done, and greater things ahead.

I trust this report will not be considered a farewell message. I hope to continue to serve the Hospital as your Chairman.

J. W. Farley,
President

REPORT OF THE TREASURER

1951

During the year of 1951 the fiscal year was changed from December 31 to September 30. Thus the operating statement reflects a nine-month period instead of the usual twelve months.

There follows a condensed operating statement of The Children's Hospital for the nine months to September 30, 1951.

Net income from patients	$1,316,567.87	
Other income	10,399.56	
Special fund income	608,894.32	
TOTAL HOSPITAL INCOME	$1,935,861.75	
Total hospital expenses	2,419,525.36	
HOSPITAL OPERATING LOSS		$483,663.61
Net income from investments	239,097.59	
Income from funds of Children's Medical Center	68,394.94	
United Community Services allotment	56,811.00	
TOTAL ADDITIONAL INCOME		364,303.53
DEFICIT BEFORE DEPRECIATION		119,360.08
Depreciation		72,958.00
NET LOSS		$192,318.08

It will be noted from these figures that the deficit for the year, before building depreciation, was $119,360.08, and after depreciation, $192,318.08. During the year the Hospital received legacies amounting to $170,730 divided as follows: unrestricted, $75,403; restricted, $95,327.

On the following pages is a Balance Sheet, prepared by our auditors, showing the condition of the Hospital's finances as of September 30, 1951. In comparing this with the Balance Sheet of December 31, 1950, it will be noted that while the net current assets decreased $170,439, due primarily to the loss for the year, and the assets held for plant construction decreased $172,773, due to money invested in plant, the current funds for designated purposes increased $127,252, the restricted funds, $98,572, and the total plant assets, after depreciation, $99,713.

PARKMAN D. HOWE,
Treasurer

Balance Sheet — September 30, 1951

Assets

ASSETS OF GENERAL FUND:			
Cash in banks and on hand			$ 24,552.89
Accounts receivable:			
Patients	$757,991,45		
Less: Reserve for bad debts	75,500.00	$682,491.45	
Affiliated institutions		78,418.58	
Other receivables		167,633.58	$ 928,543.61
INVESTMENTS:			
Bonds and stocks		3,072,109.16	
Mortgages		35,290.30	
Real estate		33,750.00	3,141,149.46
Supply inventories			133,469.37
Accrued patient income			8,045.00
Prepaid insurance, taxes and expenses			33,629.44
Deferred maintenance under amortization			34,864.63
Cash surrender value of life insurance and annuity policies			11,815.22
Expected reimbursements to cover over-expenditure of current funds for designated purposes			8,404.98
Notes receivable from charitable foundation (due 1955)			405,000.00
			$ 4,729,474.60
Assets of restricted endowment funds:			
Investments: Bonds and stocks			$ 2,620,629.59
PLANT ASSETS:			
Land			454,681.95
Buildings and improvements		$2,933,064.11	
Less: Reserve for depreciation		474,886.00	2,458,178.11
Equipment, depreciated value			196,373.58
			$ 3,109,233.64
Assets of Medical Center Fund for plant construction:			
Cash in banks, uninvested			$ 90,502.60
Construction grants receivable from charitable foundation and government agency			142,666.27
Investments: Bonds			952,965.29
Building costs advanced for engineering and development fees of the proposed new building			54,738.43
Land and improvement costs advanced for the building site of The Children's Cancer Research Foundation building			49,983.04
			$ 1,290,855.63
			$11,750,193.46

Balance Sheet — September 30, 1951

Liabilities, Capital, and Funds

General Fund:		
Accounts payable:		
Due to trade creditors	$ 56,922.14	
Credit balances of accounts receivable	11,949.49	
Amount withheld from employees for taxes	28,031.29	$ 96,902.92
Accrued wages and expenses		47,534.08
Reserves for workmen's compensation claims		11,458.20
Current funds for designated purposes		587,842.32
Notes payable to bank (due 1955)		405,000.00
General fund capital		3,580,737.08
		$ 4,729,474.60
Restricted endowment funds:		
Principal of funds and undistributed capital gains		$ 2,620,629.59
Plant:		
Plant capital		$ 3,109,233.64
Medical Center Fund for plant construction:		
Fund principal, less administration expenses	$2,882,662.15	
Less: Transfer to plant capital, representing amount invested in land, building additions, and equipment of The Children's Hospital	1,591,806.52	$ 1,290,855.63
		$11,750,193.46

REPORT OF THE ADMINISTRATOR

1951

Present Physical Plant

The President's report has described new services and new construction in recent years. In addition, it is gratifying to report that the deferred maintenance program has continued during the year. This program was designed to accomplish restoration of areas where normal maintenance was deferred during the wartime years and before.

Paint has appeared on walls long neglected, new lighting has been installed in many areas, and the general appearance of the physical plant correspondingly improved. This program has been planned for those areas intended for long-term use, and has not been applied to buildings apt to be affected immediately in a building program.

Rebuilding Plans

Active planning toward rebuilding of outmoded facilities has been an important activity during the year. This planning is seen to be doubly important when thinking in this area is related, as it must be, to present trends of hospital care. As these trends are projected into the future, the task of planning to meet the demands of the years ahead becomes further magnified.

Pediatric medicine has come of age during the past decade. New methods of therapy, and general spread of knowledge and skills in care of the younger age group, present a completely different picture for the future than that of past years. The ultimate objective, as frequently stated by Mr. Farley, may be approaching realization. We are, literally, keeping less-seriously-ill patients away from our doors — a tribute to the effectiveness of present-day medical care.

It becomes increasingly evident that there may be fewer causes for admission of medical patients. Obviously, those causes will be related to serious disorders. In this process of natural selection, more difficult care problems are to be foreseen. Literally every case

may be, in a sense, "emergency," or "desperate" in some degree; otherwise admission would not be indicated in the light of current skills for ambulatory or home care.

The costs of care are naturally higher for patients presenting a high percentage of critical illnesses. For them, the best of nursing skill, both qualitative and quantitative, is required. In addition, new techniques further increase the demands on nursing time.

A diminishing demand for hospitalization related to medical conditions has been in large part offset by an increased demand for surgical care. Here, special techniques and skills in surgical management of patients formerly considered beyond assistance have led to an increasing demand for hospital service. Our outmoded and overcrowded surgical facilities have been taxed far beyond their capability for yet another year. In 1940, there were 1431 surgical procedures. In 1950, this number was 2527. Equal pressure has been noted in the X-ray services — long a bottleneck in our facilities.

A third area properly designated as "critical" is that related to food preparation and service. This is especially true with reference to food service facilities for personnel. At present only professional personnel can be offered food service, and this with greatest difficulty and overcrowding. The presence of an ever-increasing number of professional trainees in all fields magnifies this problem.

In view of problems recognized in the three critical areas mentioned above, planning toward rebuilding has centered around the provision of adequate facilities for surgical and radiologic activities, as well as food preparation and service areas. These may be foreseen to continue as basic service areas needed in the future, somewhat regardless of trends of hospital care. To these must be added flexible space for patient care, so that this can change in function as the future may dictate.

Cost of Care

Increasing commodity and labor costs conspired during the past year to a new high in cost per patient-day. It is interesting to note, however, that this cost increase compares favorably with those of general hospitals in this area. In 1950, this hospital showed a cost which was 115 per cent of the average of four neighboring general hospitals. (Care of the younger age group is always more

expensive, as laboratory, diagnostic, and nursing services are more elaborate.) In 1951, this percentage remained identical despite being influenced adversely by only moderate occupancy during much of the year.

It is interesting also to note that in 1941 the operating deficit was 51.5 per cent of total operating cost, while in 1951 this percentage had dropped to 25. This latter fact does not minimize the present unsatisfactory trend. It is but small comfort to recognize that current deficits are expressed in inflated dollars.

In times of rising costs and an inflationary economy, many business concerns feel the necessity of justifying their costs to the public. A petroleum products company has recently sponsored a national advertising campaign recounting the fact that its gasoline (less taxes) is actually cheaper and infinitely better than its counterpart of twenty years ago. A manufacturer of electric products has for many years used a slogan "better light for less cost."

Hospitals have made less effort to justify costs for services rendered. One method of comparison is based on the cost per admission (cost per day multiplied by length of stay) factored against the varying purchasing power of the dollar. This adjusted cost per admission was $136.50 in 1938, and $131.60 in 1950. Perhaps we, too, should adopt a slogan, which could very well be "better life for less money."

The year 1951, mid-point in this century, may very well be regarded as a turning-point in trends of pediatric care and practice. In 1941, there were 5701 admissions, requiring 71,792 days of care. 1951 showed 7898 admissions with but 68,219 days of care. Dramatic changes did not, of course, come during any one year, but rather became cumulative at this time. Critical analysis of these trends is demanded, and every effort must be made to anticipate their course, if the institution is to be geared to meet needs of the future most effectively.

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